



Management's Discussion and Analysis

For the Three and Six Months Ended October 31, 2021

REPORT DATED: December 29, 2021



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The following Management's Discussion and Analysis ("**MD&A**") is intended to assist the reader to assess material changes in financial condition and results of operations of BTU Metals Corp (TSX-V: BTU) ("**BTU**" or the "**Company**") for the three and six months ended October 31, 2021.

This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and six months ended October 31, 2021 (the "**Q2 2022 Financial Statements**").

The Company's management is responsible for the preparation of the Company's consolidated financial statements as well as other information contained in this MD&A. The board of directors of BTU (the "**Board of Directors**") is required to ensure that management assumes its responsibility in regard to the preparation of the Company's financial statements. To facilitate this process, the Board of Directors has created an audit committee (the "**Audit Committee**"). The Audit Committee met with members of the management team to discuss the operating results and the financial results of the Company, before making their recommendations and submitting the Q1 2022 Financial Statements and this MD&A to the Board of Directors for review and approval. Following the recommendation of the Audit Committee, the Board of Directors approved the Q2 2022 Financial Statements and this MD&A on December 29, 2021.

The Q2 2022 Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Additional information regarding the Company is available on the Company's website [www.btumetals.com](http://www.btumetals.com) and on SEDAR at [www.sedar.com](http://www.sedar.com) under BTU's profile.

### **FORWARD-LOOKING INFORMATION**

This MD&A together with the Company's Q2 2022 Financial Statements contain certain statements that may be deemed "forward-looking statements". Forward-looking statements in this document are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "continue", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management are inherently subject to significant business, economic and competitive uncertainties, and contingencies. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Inherent in forward-looking statements involve known and unknown risks, and factors may include, but are not limited to: unavailability of financing, changes in government regulation, general economic condition, general business conditions, limited time being devoted to business by directors, escalating professional fees, escalating transaction costs, competition, fluctuation in foreign exchange rates, competition, stock market volatility, unanticipated operating events and liabilities inherent in industry. Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.



## **DESCRIPTION OF BUSINESS**

BTU was incorporated under the Business Corporations Act (British Columbia) on August 28, 2008. The Company is classified as a Tier 2 mining issuer listed on the TSX Venture Exchange (the “Exchange”), having the symbol BTU, and also trades on the OTCQB having the ticker symbol BTUMF and is involved in the exploration and development of the various projects it has acquired or holds under option.

On July 5, 2017, the Company announced that it had signed an option agreement to acquire a 100% interest in the 16,640-hectare Galway Gold Project located in County Galway, Republic of Ireland. On May 22, 2018, the Company accelerated the terms of its option agreement and acquired 100% of Gold Note, Ltd., the holder of the Company’s Galway project located in Galway, Ireland. The Company paid \$150,000 in cash and issued 600,000 common shares of the Company in exchange for 100% ownership of the Galway project through its ownership of Gold Note, Ltd. Furthermore, the property is subject to a 2% net smelter royalty (“NSR”), with the option for the Company to acquire 1.5% of the NSR, resulting in a 0.5% NSR, for \$1.5 million at any time. During the year ended April 30, 2021, the Company recorded an impairment loss of \$865,283 due to uncertainty on the renewal of the permits.

On August 24, 2018, the Company announced it was acquiring a 100% interest in the claims that comprise the Dixie Halo East property from an arms-length vendor for payments of \$85,000 in cash and the issuance of 750,000 shares over a 4-year period. The vendor retains a 1.5% NSR, half of which is purchasable by the Company for \$500,000 at any time. The Company made a cash payment of \$10,000 and issued 150,000 shares in September 2018, a cash payment of \$12,000 and issued 150,000 common shares at a fair value of \$15,750 in September 2019, and a cash payment of \$16,000 and issued 150,000 common shares at a fair value of \$28,500 in September 2020, and a cash payment of \$22,000 and issued 150,000 common shares at a fair value of \$16,500 in September 2021 according to the terms of the property option agreement.

On September 5, 2018, the Company announced it was acquiring a 100% interest in the claims comprising the Burnthut Project from an arms-length party through the cumulative payment of \$85,000 and the issuance of 750,000 shares of the Company over a 4-year period. This transaction closed on October 5, 2018, and the Company made a cash payment of \$10,000 and issued 150,000 shares. As of April 30, 2019, the Company determined that it was in the Company’s best interest to abandon the Burnthut option agreement and focus its exploration activity on the Dixie Halo group of properties. The Company reduced the carrying value of the Burnthut property Option to \$nil as at April 30, 2019. On July 8, 2019, the Company issued 100,000 common shares at a fair value of \$15,000 as a termination payment under the option agreement and returned the project to the optionor.

On October 17, 2018, the Company announced that it had entered into an option agreement to acquire a 100% ownership interest in the property known as Dixie Halo South Property from arms-length vendors in exchange for the issuance of 8,000,000 common shares of the Company payable in two tranches, 50% due on closing and 50% due 12 months from the closing date. TSX-V approval was obtained on November 14, 2018. In addition, the option agreement requires the Company to incur \$2,000,000 in expenditures on the property with \$1,000,000 required to be spent prior to a date that is 12 months from the closing date and the second \$1,000,000 to be spent no later than a date that is 24 months from the closing date. In addition, the property is subject to an NSR of 2.5% on all mineral products produced from the property. The Company has the right to repurchase up to 1.0% of the NSR at any time at its discretion for a total cash payment of \$2,000,000. The transaction was approved by the TSX-Venture exchange on January 18, 2019. On March 18, 2020, the Company entered into an extension agreement with respect to the Dixie Halo South project, extending by 30 days the requirement to meet a minimum spending commitment on the property of \$1,000,000. The Company issued 20,000 common shares to the optionor upon the granting of



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the extension. The extension agreement also included an option to further extend the expenditure obligation for an additional two months, with each additional extension requiring the issuance of 20,000 BTU common shares. The Company exercised an additional one-month extension and issued 20,000 additional shares on May 1, 2020. The Company met the first-year exploration expenditure requirements prior to the end of the extension period. The Company has now met the full exploration expenditure requirements under the original option agreement and the property has been transferred to BTU with BTU now owning 100% of the property.

On October 17, 2018, the Company announced that it had entered into an option agreement to acquire a 100% ownership interest in the property known as Dixie Halo Southeast Property from arms-length vendors in exchange for the issuance of 4,000,000 common shares of the Company payable in two tranches, 50% due on closing and 50% due 12 months from the closing date. TSX-V approval was obtained on November 27, 2018. In addition, the option agreement requires the Company to incur up to \$500,000 in expenditures on the property with \$250,000 required to be spent prior to a date that is 12 months from the closing date and the second \$250,000 to be spent no later than a date that is 24 months from the closing date. As of the date of this MD&A, the Company has met the entire exploration expenditure commitment on the property, having spent in excess of \$500,000 on the property. In addition, the property is subject to an NSR of 2.5% on all mineral products produced from the property. The Company has the right to repurchase up to 1.0% of the NSR at any time at its discretion for a total cash payment of \$2,000,000. The transaction closed on November 27, 2018, and the Company issued the vendors 2,000,000 common shares on that date and issued the second tranche of 2,000,000 common shares on November 26, 2019. As of the date of this MD&A the Company has met its full expenditure obligations under the Agreement.

On November 23, 2018, the Company announced that it was acquiring 100% of the shares of Burgundy Exploration Corp. (The Dixie Halo Southwest Extension Property), from arms-length vendors, in exchange for 3,600,000 common shares (1,800,000 common shares which are to be issued on TSX-V approval and 1,800,000 common shares to be issued on the first anniversary of TSX-V approval) to the vendors of Burgundy Exploration Corp. TSX-V approval was obtained on December 7, 2018. A pre-existing 2% GSR is applicable on the tenure being acquired. There are no cash payments nor are there any mandated work expenditures outside of normal government assessment reporting obligations. The transaction has been completed and the claims are now registered in the name of the Company.

On October 28, 2019, the Company announced that it was acquiring 94 claims (1,913 hectares) adjoining the eastern and southern boundaries of BTU's existing Dixie Halo project in Red Lake from an arms-length vendor in exchange for 1,800,000 common shares. TSX-V approval was obtained on November 6, 2019. The Company was required to incur \$38,000 in expenditures on the property within 6 months (incurred as at the date of this MD&A) and the vendors were granted a 2% Gross Smelter Royalty ("GSR") on non-base metals. The Vendors were also granted a 2% GSR on base metals, 1% of which may be purchased by the Company within the first 7 years of closing for the payment of \$1,000,000. The terms of the option have been completed and the claims are now registered in the name of the Company.

On November 29, 2019, the Company announced that it expanded its Dixie Halo property position by 238 claims covering 4,853 hectares. The new claims are royalty free and not subject to any agreement.

On March 23, 2021, the Company announced that it expanded its property position in the Red Lake area through entering into an agreement that allows the Company to earn up to an 80% interest in the 3,000-hectare Pakwash North property that is located adjacent to the east and southeast boundaries of the Company's Dixie Halo project.



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### ***About the Galway Gold Project***

The Galway Gold Property is located 45km north of the city of Galway and has excellent access (paved roads) and infrastructure (electricity, water, and a sufficiently large population centre nearby). The property has undergone substantial geological work historically and surface samples from the property returned gold grades of up to 66g/t gold in outcrop, up to 6.5 oz/t gold in float, as well as up to 2.2g/t, 5.06 g/t, and 6.3 g/t gold in surface samples. Three large anomalous areas over a 13.2 km long trend have been identified and believed to be related to the regional Maum Shear zone.

The Galway Property has been targeted for orogenic and low-sulphidation gold mineralization and is located 145 km southwest of Dalradian Resources Inc.'s high-grade Curraghinalt Gold Deposit. The Company has completed the work required under PLs 3145 and 1341 for license extension and awaits permitting approvals to continue exploration work on PL 2295.

The Company acquired control of 100% of the Galway project on May 22, 2018.

Doug Hunter, P.Geol., is the qualified person as defined by National Instrument 43-101 who has examined and described the mineral occurrences within the Company's Irish prospecting licenses and is responsible for reviewing and approving the technical contents contained in this MD&A on the Galway property.

### ***Update on Exploration Activities on the Galway Project***

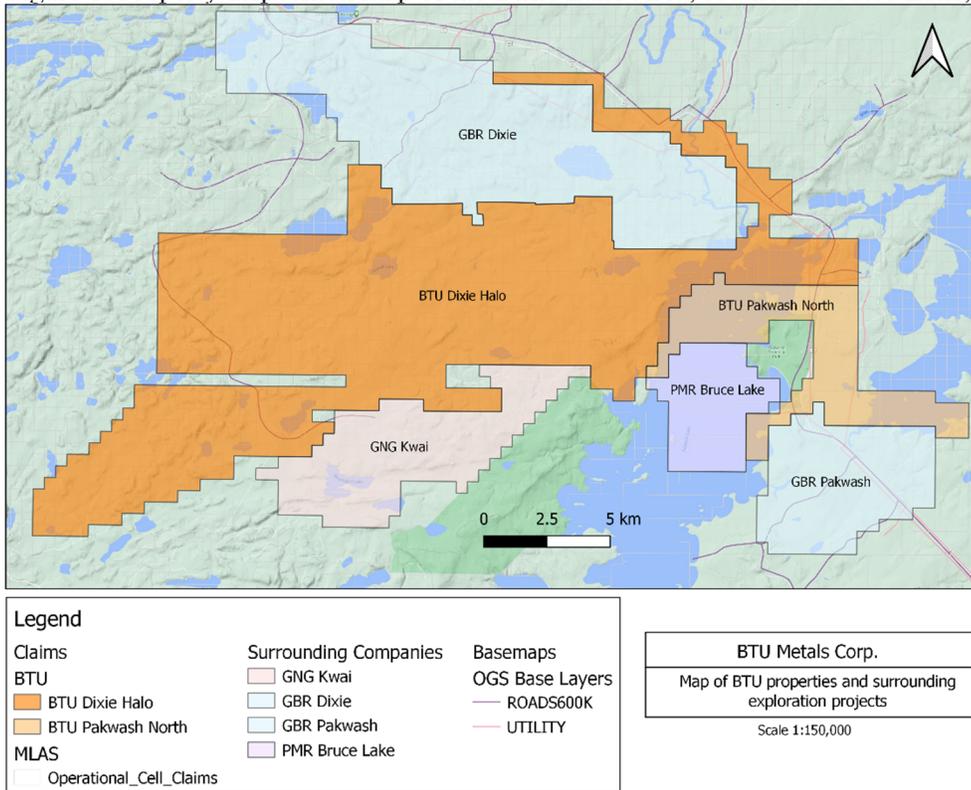
In March 2019, as part of its annual renewal process for the Galway Prospecting Licenses, the Company relinquished its rights to Prospecting Licenses 2301, 2647, and 3227 to focus its exploration activity on Prospecting Licenses 1431, 2295 and 3145.

The Company awaits permit renewals, including on PL 2195, the Lee Valley prospect, where samples of 49 g/t gold have been extracted from an exposed vein and multiple veins are interpreted based on the available governmental magnetic survey. The permit renewals are required in order for the Company to continue with its planned exploration activities of the Galway project. During the period of time that the Government is reviewing the permit renewals, the Company has been given an extension of time to complete the required expenditures on the project. Once the license renewal deliberations have been completed, the Company will evaluate the next steps for this project. As of April 30, 2021, pending the renewal of the license, the Company wrote down the carrying value of the Galway Project to \$1.00, and recorded an impairment loss of \$865,283 during the year ended April 30, 2021, due to the uncertainty surrounding the renewal of the exploration and drilling permits.

### **Pakwash North Acquisition**

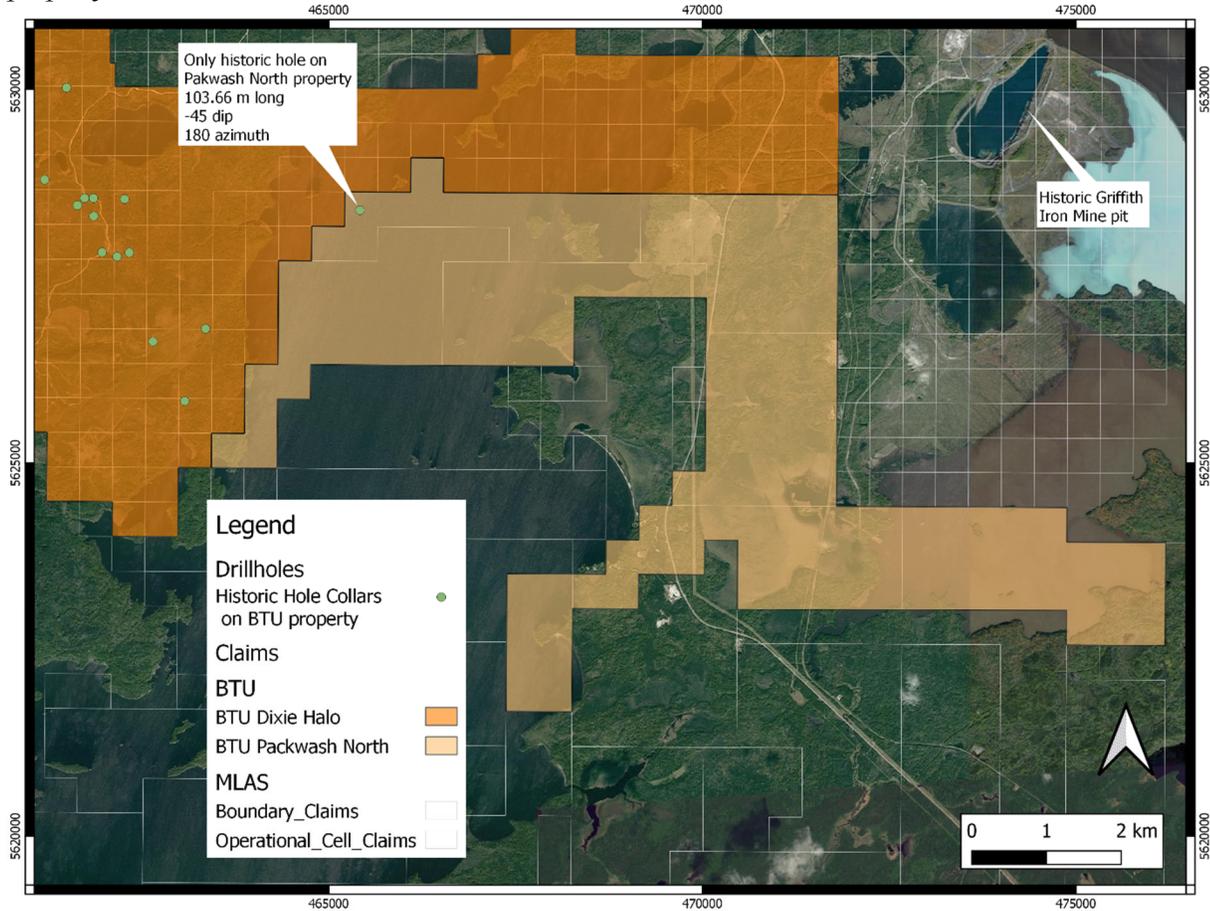
On March 22, 2021, the Company announced that it has entered into an agreement with GoldON Resources Ltd. that allows it to earn up to an 80% interest in the 3,000 hectare ("ha") Pakwash North property located adjacent to the east and southeast boundaries of its Dixie Halo project (Figure 1). Cumulative terms of the option to earn an 80% interest in the Pakwash North property (formerly called the "Bruce Lake property") from GoldON Resources Ltd. call for cash payments of \$75,000, the issuance of 1,400,000 shares and for the Company to incur expenditures of \$1,000,000 over 36-months. The Company, at its discretion, may elect to stay at certain, fixed percentages over the course of the option at which time a definitive joint venture agreement will be entered into by the companies.

Figure 1: Property disposition map of the Dixie Lake Area, southeast of Red Lake, ON



The geology of the Pakwash North property is not well-defined, and the gold and base metal potential of the property remains virtually unassessed at this time, mainly due to the near complete lack of bedrock exposure on the property which has historically limited exploration in the entire area. Recent reconnaissance geological investigations in the area identified several islands as well as shoreline areas with outcrop exposures, some of which are proximal to a large geophysical target defined on the property during winter 2021. The Pakwash North property appears to straddle major structures, covers favourable geology for gold and base metal mineralization and is located immediately west of the historic Griffith iron mine. Only one short drill hole has ever been reported on the Pakwash North property (Figure 2).

Figure 2: Summary of historic drilling activity (source: Ontario Government Records) on the Pakwash North property.



Geophysical surveying in the area has shown the property to have potential for the presence of gold as well as base metal mineralization, although no modern airborne or ground geophysical electromagnetic surveying had previously been carried out on the property. Based on recent work in the area and the Company's geophysical surveys completed in winter 2021 the Company sees potential for copper silver and gold mineralization on the Pakwash property similar to the TNT mineralization found farther to the west on the Dixie Halo property.



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### *About the Dixie Halo Project*

The Company has continued to expand and explore its mainly 100% owned Dixie Halo project in the prolific Red Lake Ontario mining district. The 100% owned portion of the project (including the Dixie Halo East property that comprises 1,514 hectares that the Company has one final cash payment of \$35,000 and is obligated to issue an additional 150,000 common shares on or before September 2022 prior to owning a 100% interest in the property) now covers a total of 19,622 hectares of land adjoining and wrapping around a large portion of the eastern part of Great Bear Resources Ltd. ("Great Bear") (GBR-TSXV) Dixie project. The Pakwash North property adds to that a further 3,000 hectares of land. The collective properties, which share a 35km common boundary with Great Bear are referred to as the Dixie Halo project. Most of the mineralization being identified by Great Bear in their ongoing large scale surface drill program is reported to be hosted in felsic rocks proximal to a regional deformation zone they refer to as the LP Fault or LP Zone that trends in a southeasterly direction generally toward a common boundary between the Company and Great Bear. Importantly, highly deformed, similar rock units as those that host the gold mineralization on the Great Bear property, are known to occur on the Dixie Halo project several kilometres distant from the mutual boundary of the companies.

The Company has been actively exploring the Dixie Halo property since May 2019 with exploration drilling having commenced in July 2019. Historic exploration work in the area has been hampered by the presence of widespread transported overburden cover that made traditional exploration techniques rather ineffective. This historic exploration work was generally wide-spaced, focused mostly on base metal targets, and the work was carried out mainly in the 1970's long before the discovery of the significant new gold mineralization just to the north of the main part of the Dixie Halo project. Only in the last 10 years, has the Dixie Halo property area been somewhat more seriously prospected for gold. Even then, only a few wide spaced test drill holes were completed on a small part of the property.

Geological mapping, prospecting, grid cutting, geophysics, geochemistry and gold in till sampling as well as core drilling programs have all been carried out in specific areas of the nearly 200 square kilometre property and this work continues as the exploration team builds the geological database of the property. As well, the Company has recently undertaken a review to define potential gold exploration target areas using artificial intelligence (AI) techniques. The Company is following up on these AI possible target areas to determine their potential to constitute good target areas to host gold mineralization.

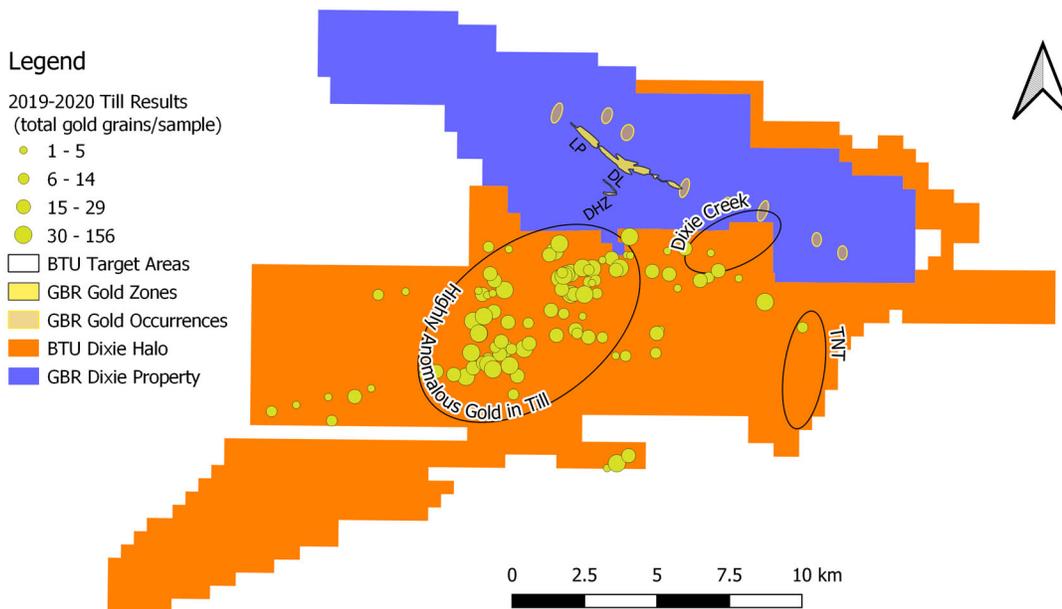
Since drilling commenced in the summer of 2019, the Company has completed more than seventy-six exploration drill holes on more than a dozen discrete gold and base metal exploration targets on the Dixie Halo Project. The Company is continuing to execute a number of target evaluation programs and continues to generate priority targets that require drill testing. Additional drilling is expected to re-start next month and once commenced, it is currently anticipated drilling will continue until near spring break-up. This phase of drilling is planned to include drilling on the Pakwash North property.

Since commencing exploration activities on the property in mid 2018 the Company has focused the bulk of its efforts on the discovery of significant gold mineralization, particularly in the northeastern and central parts of the main part of the property given the success of Great Bear immediately to the north of this area of the Dixie Halo property. The Great Bear gold discoveries clearly demonstrate the potential for the discovery of significant new areas, and even new styles, of gold mineralization in this largely overburden covered and underexplored part of the Red Lake mining camp. The recent announcement of the proposed transaction between Kinross and Great Bear further demonstrates the attention being attracted by the gold discoveries to the north of the Company's Dixie Halo project.

In the course of developing gold exploration drill targets in the southeast of the property, the Company discovered copper-silver-gold mineralization that resembled more Volcanogenic Massive Sulphide (“VMS”) than Archean gold style mineralization. Additional property was acquired in that area and additional geophysical surveying as well as drilling was completed over an area of roughly 2,200 metres north to south and up to 500 metres east to west. The area, denoted the “TNT” area, is almost completely overburden covered and hence good quality geophysical data was a necessity to help define potential drill targets. The geophysical surveying completed in late 2019 and in 2020 included IP-resistivity surveying, horizontal loop electromagnetic surveying, magnetic surveying, large loop, surface time domain electromagnetic surveying as well similar downhole electromagnetic surveying. Twenty-one drill holes have been completed in the TNT area with drill holes BTU-19-13, 19, 20 and 25 returning the best results. Anomalous gold concentrations were intersected in many of the drill holes completed to date.

Drilling completed to date shows the area to be underlain by a suite of sedimentary, felsic to mafic volcanic and intrusive rocks. The volcanic rocks appear to be comprised of tuffs and volcanoclastic units as well as intrusive varieties. Mineralization in the 2200 metre interval drill tested to date is largely pyrite with lower amounts of chalcopyrite. Minor amounts of galena, sphalerite, molybdenite and rare scheelite were identified in some of the drill holes. Silver, as a ratio of the amount of copper present is high for a VMS setting and the strong biotite alteration is unusual. Geochemical and technical reviews determined the geological setting of the mineralization to possibly be a variety of VMS style mineralization or a style that is somewhat unique. Some geophysical targets in the area remain to be tested for their base metal or precious metal content. Some additional follow-up drilling is being planned in the first half of 2022.

Figure 3 Dixie Halo Project



The TNT target currently has a footprint of 200-500 metre wide east to west and a strike length of at least 2,200 metres north to south as identified by a Versatile Time Domain Electromagnetic (“VTEM”) survey, Induced



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Polarization (“IP”) survey work, as well as surface and down hole time domain electromagnetic survey data (“TDEM”). The TNT target remains open to further expansion to the north and to the south and there remains potential for stacked zones of mineralization. The Company intersected copper-gold-silver mineralization over a substantial core length in its first two drill holes on the TNT target. Widely spaced drill holes were drilled across mostly the northerly portion of the TNT target. The initial large step-outs to the east, south and north in the early phase of drilling at TNT were planned to create a well spaced grid across the target area for downhole geophysical surveying to provide a better understanding of the extent of mineralization related to the large TNT target, with the view to ultimately discovering high-grade copper rich massive sulphides or alternatively gold mineralization. The initial two step-out drill holes, BTU-19-19 and BTU-19-20 were located 165 metres and 355 metres east of discovery drill hole BTU-19-13 and drilled perpendicular to the strike of the TNT mineralized system. BTU-19-25 was drilled further east along the same line and assays confirmed that copper mineralization continued down-dip to the east. Mineralogy, alteration, and polymetallic mineralization that appeared to be visually consistent with footwall style mineralization in a VMS system was intersected in drill holes 19, 20 and 25. These three holes were drilled in a westerly direction from well to the east of the location of drill hole 13 and intersected the mineralization at shallower depths than the mineralization in discovery drill hole 13 (see maps and additional information on the Company’s website).

Assay results from drill holes BTU-19-21 to 25, confirm the presence of a large alteration system at the TNT target. This alteration and associated sulphide mineralization which consists of varying amounts of pyrite and chalcopyrite, as well as minor amounts of sphalerite, galena and molybdenite is traceable using the IP geophysical technique as well as electromagnetic methods. From drilling, this mineralization is known to extend throughout the TNT trend as outlined using IP for at least 2,200 metres.

Geophysical survey information shows the TNT target covering an area from 200-500 metres wide (east-west) and extending for more than 2,200 metres north-south and the target remains open along strike. Drill hole BTU-20-25 was drilled along the same east-west line as drill holes 13, 19, and 20 and this deeper hole shows continuity of mineralization that starts at surface in drill hole 19 and dips to the east. Highlights from drill hole 25 include 27.25 metres of 1.11% CuEq\* and 7.80 metres of 2.27% CuEq\* within a large envelope of mineralization extending for a core length of 173 metres. Drill hole 13 intersected 44 metres of 1.14% CuEq\* including elemental highlights of 5.56% Cu, 2 g/t Au and 99.6 g/t Ag. Drill hole 25, collared approximately 500 metres to the east of drill hole 13 included elemental assay highlights of 0.92 g/t Au, 5.86% Cu and 116 g/t Ag.

Highlight assays from hole 25 include:

- A highlight of 2.27% Cu equivalent over 7.8 metres within a very wide copper enriched zone assaying 0.4% Cu equivalent over 147 metres
- Highest elemental assay results: 0.92 g/t Au, 5.86% Cu, and 116 g/t Ag

\*CuEq means Metal equivalency based on US\$2.70/lb Cu, US\$1350/oz Au, and US\$17/oz Ag; noting that no adjustments were made in the metal equivalency calculation for metal recovery, as this is still an early stage project.

Geological, geochemical, and geophysical studies and evaluations by geological consultant Harold Gibson, Professor of Volcanology and Ore Deposits at Laurentian University, Company personnel, as well as geophysical consultant Alan King have now been completed for the TNT and Pakwash North area. The studies indicate that the TNT area mineralization clearly has direct copper-silver correlation, similar to some known high temperature base metal mineralization and the studies indicate the mineralization is associated with strong alteration including some areas with sodium depletion and strong potassium enrichment rather typical of VMS systems. Work by the group has identified several targets with the potential to be base metal bearing and that warrant drill testing.



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In 2021, Induced Polarization ("IP") geophysical survey work on Pakwash Lake identified a significant chargeability target and a coincident resistivity low feature that extend for at least 600 metres and remain open to the north. Follow-up PEM survey work on the target confirmed the interpretation from the IP survey. Such features are often an indication of the presence of accumulations of sulphide minerals. Additionally, the PEM survey identified a secondary weaker target just to the west of the strong new target. There is no geological information available within 1 km of the new targets. These targets are expected to be drilled in the first quarter of calendar 2022.

The studies have determined that the stratigraphic top lies to the east and that the geochemical data suggests higher zinc values would be found higher in the stratigraphic column. In May 2021 drill hole BTU-21-66 was drilled in the southeast area of the TNT project, in an area interpreted to be a fluid pathway that connects the TNT zone with the Pakwash Lake targets.

### **Dixie Creek Target Area**

The Dixie Creek target area is adjacent to Great Bear Resources' flagship Dixie Project where they have reported numerous high-grade gold intersections from their ongoing expanded drilling campaign that is focused on defining the extent and continuity of the gold mineralization associated with the LP Fault structure. There are common geological rock units as well as similar structures that connect the Dixie Halo property with the Great Bear discoveries. The interpretation that there are strong indications of gold mineralization on the Dixie Halo property immediately to the south of the areas of focus of Great Bear is supported by data from geological mapping and prospecting, geophysical surveys, gold in till sampling, rock samples from available outcrop areas, as well as from historical and Company drilling information.

The Company has completed geophysical surveys and rather widely spaced drilling in the area near the north boundary of the Dixie Halo property to the south of the gold discoveries of Great Bear.

Strong to weak deformation, sulphide mineralization including pyrrhotite, pyrite and arsenopyrite were intersected at various locations along with associated strong to moderate sericite and carbonate alteration, quartz veining and some anomalous gold mineralization.

The Company initiated test gold in till sampling late in 2019 as a trial to determine if gold grain counts in surface till could be used and a means to identify target areas with more abundant gold grains in surface till exposures. That program successfully identified areas with high gold grain counts with a peak number of 99 pristine gold grains in one till sample. Drilling to the north of the location of this high concentration of gold grains showed some strong alteration and quartz veining although no significant gold mineralization was intersected in the limited drilling completed.

Encouraging results from the limited 2019 SGH soil sampling program indicate two high priority gold exploration targets on the Company's Dixie Creek target area in the limited area sampled. The SGH anomalies coincide with geological structures that are clearly seen in geophysical surveys (e.g., see SGH anomalies over 2nd Vertical Derivative Magnetics). ActLabs rated the Dixie Creek targets at a 5.5 out of 6 on its scale of interpreted prospectivity. SGH is a technique neighboring Great Bear reported to have used to identify some areas of gold mineralization along the LP structural trend (see BTU press release dated Aug. 1, 2019). The Company has completed only one drill hole to test for gold mineralization associated with these SGH target areas. Strongly altered pyritic volcanoclastic rocks were intersected and more work is planned for this target area. In summer 2021 the Company collected additional samples for inclusion in the SGH test area survey to expand the coverage beyond the initial area. The results and interpretation are pending.

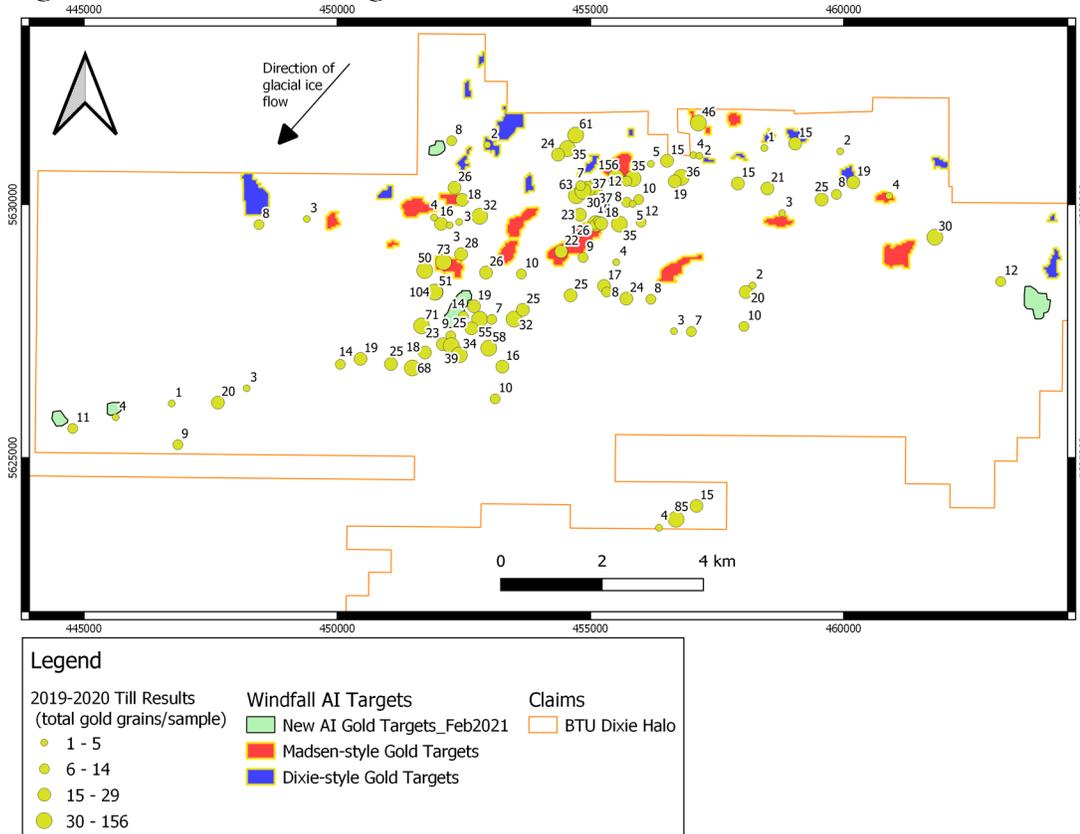


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The Company announced on July 21, 2020, that it has contracted Windfall Geotek to conduct Artificial Intelligence (“AI”) methods for the identification of gold exploration targets on the Dixie Halo property. The Red Lake gold district has an abundance of known gold deposits and showings as well as publicly available geoscience datasets which makes it a good location to apply AI for identifying potential gold exploration targets. Initial AI data analysis (using topographic and magnetic datasets as well as drill hole results) of the property area yielded 35 new high priority potential gold target areas that warrant follow-up evaluation. Follow up AI work by Windfall Geotek yielded a further five high priority target areas.

A gold in till sampling program was completed and announced on August 10, 2020. The highlights of the program identified new high regional gold grain counts in till samples with one sample containing 156 total gold grains, 115 of which are described as pristine in nature indicating a very short transport distance from the original bedrock source. Furthermore, several high gold grain counts are directly associated with, or are immediately down-ice from some of the recently identified AI targets.

Figure 4 Till results and AI targets



The Company completed part of its drilling program in the central part of the property and will continue evaluating early-stage targets in the central part of the property. Drilling in the winter/spring of 2021 focused on the Dixie Creek area. The Company discovered arsenopyrite mineralization associated with pyrite and quartz carbonate alteration in one hole along a magnetic low geophysical trend. Arsenopyrite was intersected in all holes on this structure, including holes 800m apart along strike and the altered and mineralized zone was 40 metres thick in one drill hole. The arsenopyrite bearing geophysical structure has 2.4km of strike on BTU ground and extends northwest onto Great Bear's property where it is interpreted to follow the Dixie Creek lineament for ~1.8km to the area of the LP Fault gold mineralization (Figures 5 & 6).

The current drill program is well underway and to date 10 holes have been completed. Drilling will re-start in January and is planned to continue for most of the first quarter of calendar 2022. So far in this program the Company has been undertaking drilling on a variety of exploration targets across the Dixie Halo property including the far western part of the property near Rose Lake, in the Heiwall Lake area and most recently in the area of the central joint boundary with Great Bear. No sample assay results have been received from this program as of the date of this report.

Figure 5: BTU drill holes over 2VD magnetics Northeast corner of Dixie Halo with property boundary in orange, Great Bear Resources LP gold mineralization in yellow at top left, area of Figure 6 outlined in black.

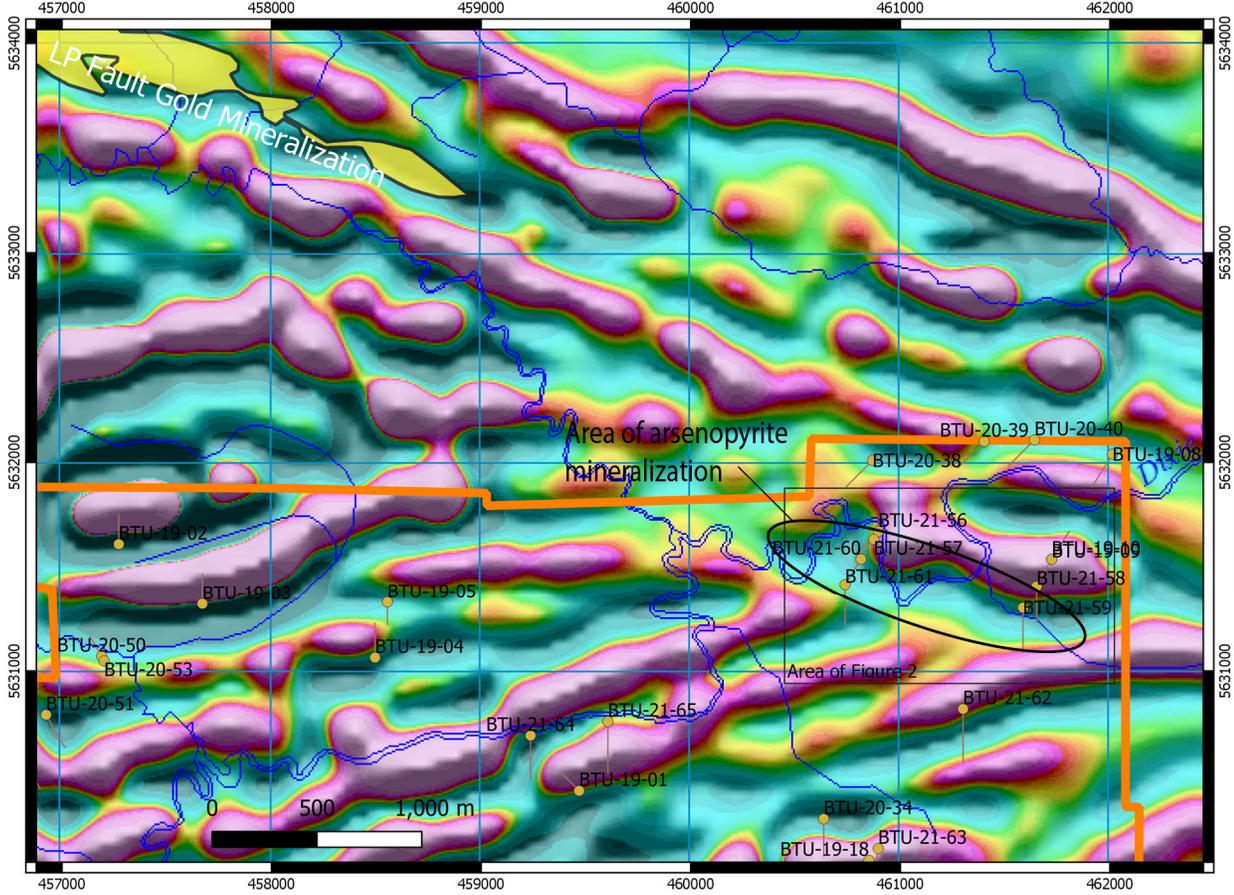


Figure 6: Close up of the area of arsenopyrite mineralization.

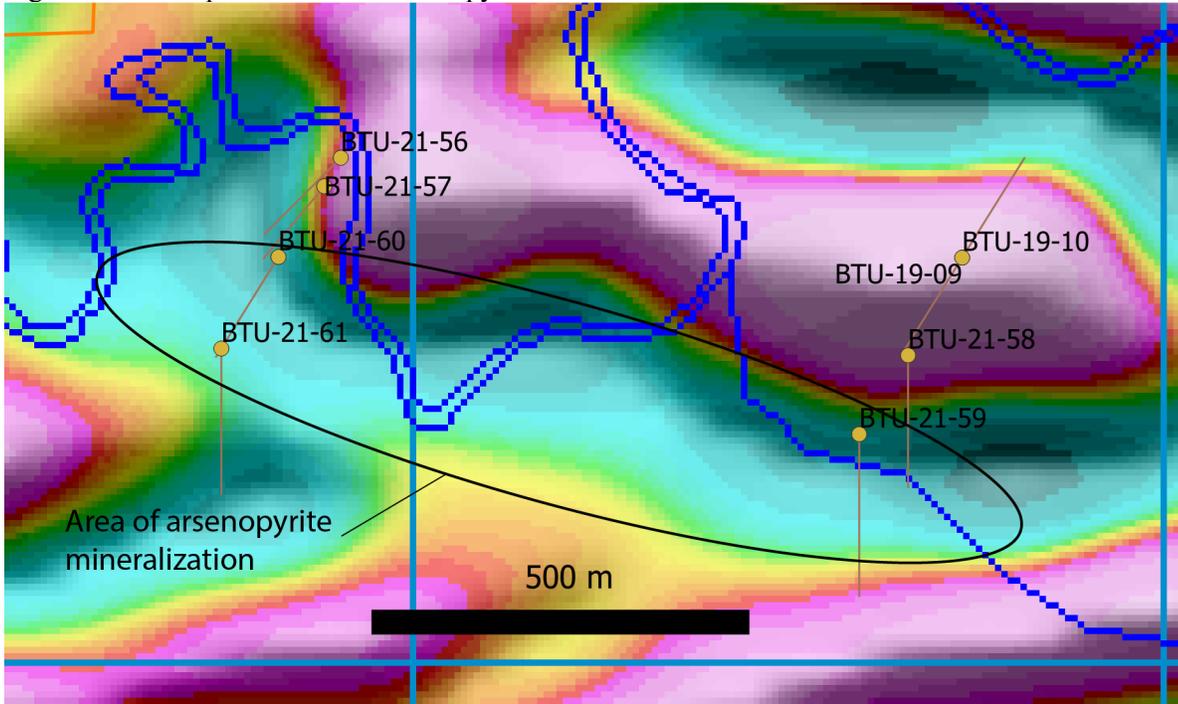
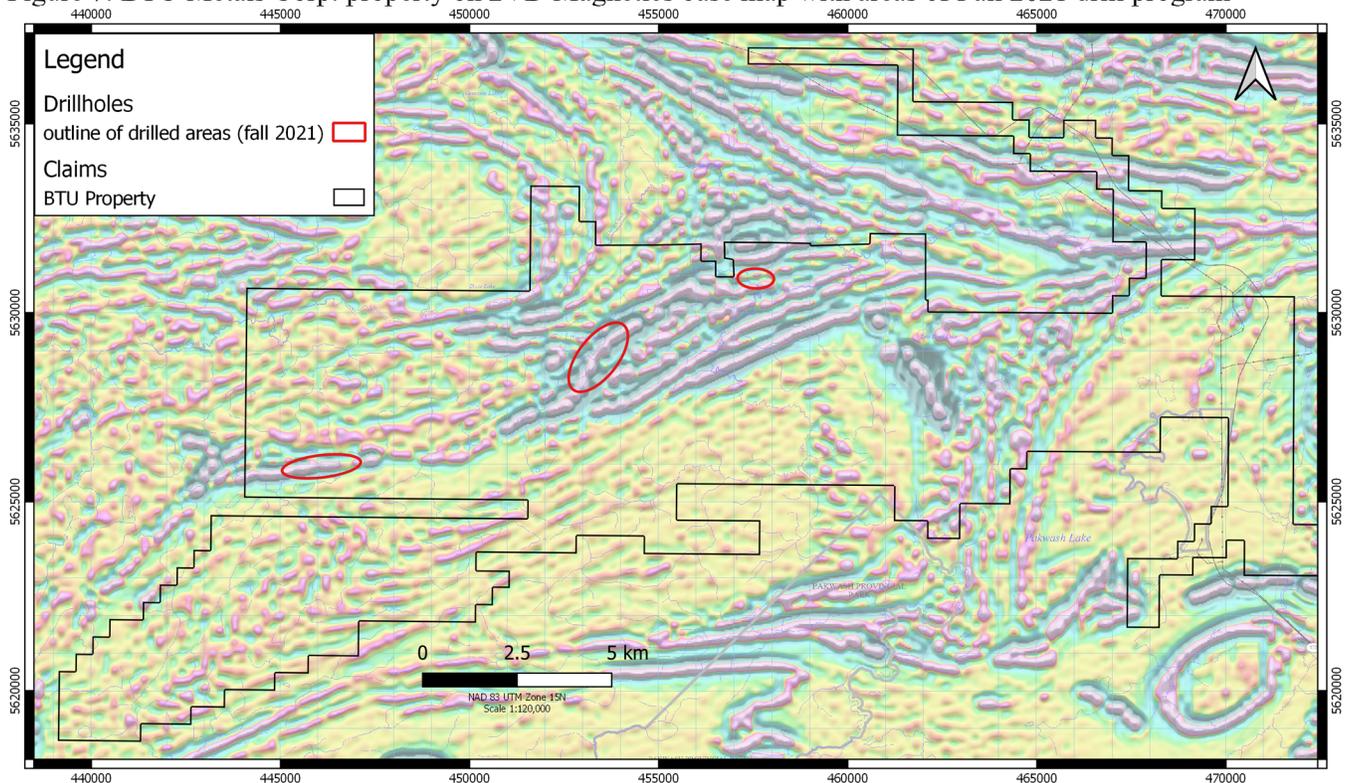


Figure 7: BTU Metals Corp. property on 2VD Magnetics base map with areas of fall 2021 drill program





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The Company is continuing with geological mapping, prospecting, geophysics, till geochemistry, Artificial Intelligence investigations and geophysical surveying as well as data re-interpretation.

#### **QA/QC**

BTU staff collected and processed samples and securely sealed and shipped them to SGS Canada Inc. ("SGS") in Red Lake, Ontario, and Activation Laboratories Ltd. ("ActLabs") in Dryden, Ontario for sample preparation that includes drying, crushing until 80% passes a 2 mm sieve, then riffle splitting (250 g) and pulverizing (mild steel) to 95% passing 105 µm. The resulting pulps are analysed for gold by fire assay in Red Lake or Dryden, and for base metals by a multi-element aqua regia ICP-OES technique in Burnaby or Thunder Bay. All assay data have undergone internal validation of QAQC; noting there is an established sampling control program with blind insertion of assay blanks, certified industry standards and sample duplicates. A QAQC program is also in place at SGS and Actlabs and includes insertion of blanks, standards, and duplicate reanalysis of selected samples. SGS and ActLabs are Canadian assay laboratories and are accredited under ISO/IEC 17025 and ISO 9001. Overlimit protocols are in place for gold, silver, and copper if required.

Intervals in this MD&A are drilled intervals. True widths could not be determined at this early stage of target evaluation.

The technical contents of this MD&A were approved by Mr. Bruce Durham, P. Geo., a qualified person as defined by National Instrument 43-101.

The Company's policy with respect to Mineral Properties is as follows:

All expenditures related to the acquisition, exploration and development of mineral properties are capitalized on a property-by-property basis, net of recoveries, until such time as these mineral properties are placed into commercial production, sold, or abandoned. If commercial production is achieved from a mineral property, the related capitalized costs will be tested for impairment and reclassified to mineral property in production. If a mineral property is sold or abandoned, the related capitalized costs will be expensed to the consolidated statement of comprehensive loss in that period.



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The following table is a summary of the Company's Mineral Property Assets as of October 31, 2021:

	Dixie Halo East	Dixie Halo South	Dixie Halo Southeast	Dixie Halo Southeast extension	Dixie Halo Southwest	Dixie Halo new claims staked	Pakwash North	Galway	Total
<b>Carrying value</b>									
<b>Balance April 30, 2020</b>	\$ 993,687	2,623,892	944,684	889,072	754,464	11,900	-	865,284	7,082,983
Additions for cash	16,000	-	-	-	-	-	15,512	-	31,512
Additions for shares issued	28,500	4,800	-	-	-	-	30,000	-	63,300
<b>Costs capitalized</b>									
Assays	23,778	135,944	31,471	39,442	885	-	-	-	231,520
Drilling	-	433,205	213,261	61,019	-	-	-	-	707,485
Field & Admin	3,680	7,880	4,280	750	250	1,579	-	-	18,419
Geological and Geophysical services	73,842	443,437	47,727	115,501	54,698	2,592	50,931	-	788,728
Prospecting	5,592	90,664	1,653	4,458	3,360	-	-	-	105,727
	106,892	1,111,130	298,392	221,170	59,193	4,171	50,931	-	1,851,879
Write-down of mineral property	-	-	-	-	-	-	-	(865,283)	(865,283)
<b>Balance April 30, 2021</b>	\$ 1,145,079	3,739,822	1,243,076	1,110,242	813,657	16,071	96,443	1	8,164,391
Additions for cash	22,000	-	-	-	-	-	-	-	22,000
Additions for shares issued	16,500	-	-	-	-	-	-	-	16,500
<b>Costs capitalized</b>									
Assays	630	41,290	10,363	14,153	2,721	2,082	253	-	71,492
Drilling	-	110,558	158	80,611	-	-	-	-	191,327
Field & Admin	1,700	4,945	600	1,060	1,000	-	-	-	9,305
Geological and Geophysical services	2,871	37,796	8,999	12,326	83,825	20,331	15,678	-	181,826
Prospecting	7,087	36,248	11,799	11,012	8,589	14,022	4,553	-	93,310
	12,288	230,837	31,919	119,162	96,135	36,435	20,484	-	547,260
<b>Balance October 31, 2021</b>	\$ 1,195,867	3,970,659	1,274,995	1,229,404	909,792	52,506	116,927	1	8,750,151

During the six months ended October 31, 2021, the Company capitalized cash costs totalling \$547,260 spent on exploration and evaluation activities related to the mineral properties, issued 150,000 common shares valued at \$16,500 and paid \$22,000 in cash under the terms of existing property option agreements.

During the year ended April 30, 2021, the Company capitalized cash costs totalling \$1,857,391 spent on exploration and evaluation activities related to the mineral properties and issued 420,000 common shares valued at \$63,300 and paid \$26,000 in cash under the terms of existing property option agreements and incurred a write-down of \$865,283 due to the uncertainty surrounding the renewal of the permits on the Galway property.



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**RESULTS OF OPERATIONS**

	Six Months Ended October 31, 2021	Six Months Ended October 31, 2020	% Change	Three months Ended October 31, 2021	Three months Ended October 31, 2020	% Change
<b>Continuing Operations</b>						
<b>General and Administrative Expenses</b>						
Bank Charges	217	615	(64.72%)	98	202	(51.49%)
Investor Relations	41,607	59,168	(29.68%)	20,279	38,253	(46.99%)
Management and Director Fees	190,040	195,270	(2.68%)	95,040	95,000	0.04%
Office, Rent , Telephone and Insurance	9,828	8,312	18.24%	3,765	5,532	(31.94%)
Professional Fees	27,154	9,273	192.83%	26,757	9,151	192.39%
Share-Based Compensation	195,600	551,475	(64.53%)	140,200	479,425	(70.76%)
Transfer Agent and Filing Fees	39,860	38,473	3.61%	25,118	6,839	267.28%
Travel And Related Expenses	3,255	5,534	(41.18%)	1,978	4,934	(59.91%)
Exploration costs	220	8,506	(97.41%)	220	8,250	100.00%
<b>Net Loss For the Period before other items</b>	<b>507,781</b>	<b>876,626</b>	<b>(42.08%)</b>	<b>313,455</b>	<b>647,586</b>	<b>(51.60%)</b>
Recovery of flow through premium	(129,834)	(311,198)	(58.28%)	(40,343)	(308,340)	(86.92%)
<b>Net Loss and Comprehensive loss</b>	<b>(\$377,947)</b>	<b>(\$565,428)</b>	<b>(33.16%)</b>	<b>(\$273,112)</b>	<b>(\$339,246)</b>	<b>(19.49%)</b>
<b>Loss per Share for the Period</b>						
Basic and Fully Diluted Loss per Share	<b>\$0.00</b>	<b>(\$0.01)</b>		<b>\$0.00</b>	<b>(\$0.01)</b>	
Weighted Average Number of Shares Outstanding	103,175,895	93,507,692		103,236,221	93,835,134	

During the three months ended October 31, 2021 (Q2 2022) the Company reported a Comprehensive loss of \$273,112 (three months October 31, 2020 (Q2 2021) - loss of \$339,246). The Company's loss per share for Q2 2022 was \$nil (Q2 2021 - (\$0.01)). The loss incurred during Q2 2022 was mainly due to the following:

- Management, Director, and consulting fees of \$95,040 (Q2 2021 - \$95,000). The fees incurred during Q2 2022 were related to the general management of the business and increased by 0.04% compared to Q2 2021.
- Transfer agent and filing fees of \$25,118 (Q2 2021 - \$6,839) associated with transfer agent fees during the period. The increase of 267.28% was a result of fees related to the recently completed annual general meeting when compared to the fees incurred during Q2 2021.
- Non-cash share based (options) compensation of \$140,200 (Q2 2021 - \$479,425) incurred through the granting of stock options to Directors, Officers, and consultants of the Company in Q2 2022 compared to the granting of and vesting of options to Officers, Directors, and consultants to the Company in Q2 2021. The Company utilizes stock options to properly incentivize management and bring recently added directors to a level of option ownership that is in line with the remainder of the executive team.
- Professional fees of \$26,757 (Q2 2020 - \$9,151). The large increase was due to the Company finalizing its listing on the OTCQB exchange during the period.
- Travel and related expenses of \$1,978 (Q2 2021 - \$4,934). The amounts relate to travel of non-exploration related personnel to the Dixie Halo Project site location during the periods and investor relations activity during the period. Travel related to investor relations activity was significantly reduced during Q2 2022 as a result of continued COVID-19 related shutdowns and travel restrictions that were in place, similar to what was in place during Q2 2021. Travel expenses directly related to exploration activity are capitalized to the various Dixie properties. All meal and entertainment expenses associated with the exploration activities and related costs are capitalized as incurred.
- Incurred investor relations expenses (press release dissemination, investor conferences, video production and news dissemination, etc.) of \$20,279 (Q2 2021 - \$38,253). The decrease of (46.99%) was due to a decrease in investor relations activity during the period when compared to the prior year period. Both periods were below



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expected levels due to COVID -19 related cancellations of various investor relations events in both Q2 2022 and Q2 2021.

- Incurred office related expenses of \$3,765 (Q2 2021 - \$5,532), and,
- The Company recorded a gain on the recovery of the flow through premium of \$40,343 during Q2 2022 (Q2 2021 - \$308,340). The decrease equated to a decrease in underlying eligible expenditures incurred during Q2 2022 when compared to Q2 2021).

During the six months ended October 31, 2021 (H1 2022) the Company reported a Comprehensive loss of \$337,947 (three months October 31, 2020 (H1 2021) - loss of \$565,428). The Company's loss per share for H1 2022 was *nil* (H1 2021 – (\$0.01)). The loss incurred during H1 2022 was mainly due to the following:

- Management, Director, and consulting fees of \$190,040 (H1 2021 - \$195,270). The fees incurred during H1 2022 were related to the general management of the business and decreased by 2.68% compared to H1 2022.
- Transfer agent and filing fees of \$39,860 (H1 2021 – \$38,473) associated with transfer agent fees during the period. The small increase of 3.61% was a result increased costs associated with the Company's most recent AGM when compared to the AGM that occurred in the prior year period.
- Non-cash share based (options) compensation of \$195,600 (H1 2021 – \$551,475) incurred through the granting of stock options to Directors, Officers, and consultants of the Company in H1 2022 compared to the granting of and vesting of options to Officers, Directors, and consultants to the Company in H1 2021. The Company utilizes stock options to properly incentivize management and bring recently added directors to a level of option ownership that is in line with the remainder of the executive team.
- Professional fees of \$27,154 (H1 2020 - \$9,273). The large increase was due to the Company finalizing its listing on the OTCQB exchange.
- Travel and related expenses of \$3,255 (H1 2021 - \$5,534). The amounts relate to travel of non-exploration related personnel to the Dixie Halo Project site location during the periods and investor relations activity during the period. Travel related to investor relations activity was significantly reduced during both H1 2022 and H1 2021 as a result of continued COVID-19 related shutdowns and travel restrictions that were in place. Travel expenses directly related to exploration activity are capitalized to the various Dixie properties. All meal and entertainment expenses associated with the exploration activities and related costs are capitalized as incurred.
- Incurred investor relations expenses (press release dissemination, investor conferences, video production and news dissemination, etc.) of \$41,607 (H1 2021 - \$59,168). The decrease of (29.68%) was due to a decrease in investor relations activity during the period when compared to the prior year period. Both periods were below expected levels due to COVID -19 related cancellations of various investor relations events in both H1 2022 and H1 2021.
- Incurred office related expenses of \$9,828 (H1 2021 - \$8,312), with the small increase largely attributable to an increase in insurance premiums during the period. and,
- The Company recorded a gain on the recovery of the flow through premium of \$129,834 during H1 2022 (H1 2021 - \$311,198). The decrease equated to a decrease in underlying eligible expenditures incurred during H1 2022 when compared to H1 2021.



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**SUMMARY OF QUARTERLY RESULTS**

Results for the most recent quarters:

<b>Financial Results</b>	<b>October 31, 2021</b>	<b>July 31, 2021</b>
Net loss for the quarter	(\$273,112)	(\$104,835)
Basic and diluted loss per share	-	-
Total assets	\$9,587,254	\$9,762,705

<b>Financial Results</b>	<b>April 30, 2021</b>	<b>January 31, 2021</b>	<b>October 31, 2020</b>	<b>July 31, 2020</b>
Net loss for the quarter	(\$900,651)	(\$54,658)	(\$339,246)	(\$226,182)
Basic and diluted loss per share	-	-	-	-
Total assets	\$9,999,597	\$10,733,186	\$11,021,797	\$8,864,553

<b>Financial Results</b>	<b>April 30, 2020</b>	<b>January 31, 2020</b>	<b>October 31, 2019</b>	<b>July 31, 2019</b>
Net loss for the quarter	(\$15,909)	(\$142,422)	(\$137,677)	(\$254,897)
Basic and diluted loss per share	-	-	-	-
Total assets	\$8,425,701	\$6,868,487	\$3,692,491	\$3,657,362

**SELECTED ANNUAL INFORMATION**

The following financial data, which has been prepared in accordance with Canadian generally accepted accounting principles is derived from the Company's audited financial statements for the year ended April 30, 2021, 2020, and 2019.

<b>Financial Results</b>	<b>April 30, 2021</b>	<b>April 30, 2020</b>	<b>April 30, 2019</b>
Net loss for the year	(\$1,520,737)	(\$550,905)	(\$710,476)
Basic and diluted loss per share	(\$0.02)	(\$0.01)	(\$0.02)
Total assets	\$9,999,597	\$8,425,701	\$2,226,956

**RELATED PARTY TRANSACTIONS**

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate value of transactions relating to key management personnel for the six months ended October 31, 2021 and 2020 were as follows:



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	<b>Six Months Ended October 31, 2021</b>	Six Months Ended October 31, 2020
Consulting and management fees	\$ 192,533	\$ 194,620
Exploration expenses	23,344	64,969
Share-based compensation	154,366	387,150
<b>Total short-term benefits</b>	<b>\$ 370,243</b>	<b>\$ 646,739</b>

As of October 31, 2021, \$8,392 (April 30, 2021 - \$40,306) were owing to Directors, key management personnel or to a company controlled by a director or key management person and the amounts were included in accounts payable. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

During the six months ended October 31, 2021, the Company granted a total of 2,100,000 stock options (October 31, 2020 – 2,225,000) to Officers, Directors, and insiders of the Company, of which the fair market value was estimated at \$154,365 (October 31, 2020 - \$386,001)

### **LIQUIDITY AND CAPITAL RESOURCES**

The Company is dependent upon the availability of credit from its suppliers and its ability to generate sufficient funds from equity and debt financing to meet current and future obligations. The Company had working capital of \$647,166 as of October 31, 2021. There can be no assurance that such financing will be available on terms acceptable to the Company.

	October 31, 2021	July 31, 2021	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020	April 30, 2020
Deficit	(\$5,067,783)	(\$4,794,671)	(\$4,689,836)	(\$3,789,185)	(\$3,734,527)	(\$3,395,281)	\$3,169,099
Non-cash Working Capital (Deficit)	(\$42,728)	(\$51,987)	(\$107,184)	\$8,894	(\$120,692)	\$20,644	\$3,364
Cash	\$689,894	\$1,165,094	\$1,667,763	\$2,262,554	\$2,908,149	\$1,395,802	\$1,203,061

### **NEWLY ADOPTED ACCOUNTING POLICIES AND ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE**

There are no new standards that are expected to have a significant impact on the Company's financial position and results of operations.

### **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The details of the Company's accounting policies are presented in Note 3 of the annual audited Consolidated Financial Statements for the year ended April 30, 2021. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.



## **MANAGEMENT OF FINANCIAL RISKS**

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 3(j) of the Company's Q2 2022 Financial Statements. The Company's risk management is coordinated in close co-operation with the board of directors and focuses on actively securing the Company's short to medium term cash flows and raising finances for the Company's capital expenditure program. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

### *a) Fair Values*

The Company uses the following hierarchy for determining fair value measurements:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Company records its cash and cash equivalents at Level 1. The fair values of the Company's receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

### *b) Credit Risk*

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company is in the exploration stage and has not yet commenced commercial production or sales. The Company's receivable is due from legal counsel and is therefore, not exposed to significant credit risk. The Company limits its exposure to credit loss on its cash and cash equivalents by placing its cash with major financial institutions.

### *c) Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is dependent upon the availability of credit from its suppliers and its ability to generate sufficient funds from equity and debt financing to meet current and future obligations. The Company had non-cash working capital of \$647,166 (April 30, 2021 - \$1,556,579). There can be no assurance that such financing will be available on terms acceptable to the Company.

### *d) Interest Rate Risk*

The Company's policy is to invest excess cash in guaranteed investment certificates ("GIC") at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. As of October 31, 2021, the Company held \$nil in redeemable GICs (April 30, 2021 – redeemable GIC of \$nil). There were no other interest-bearing deposits as of October 31, 2021. Fluctuations in interest rates impact the value of cash and cash equivalents. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.



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*e) Foreign Exchange Risk*

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk is currently considered insignificant.

*f) Equity Price Risk*

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

**CAPITAL MANAGEMENT**

The Company manages its share capital as capital, which as of October 31, 2021, was \$11,275,755 (April 30, 2021 – \$11,259,255). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and adjusts it in light of operating results, changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, warrants or options, issue new debt, acquire or dispose of assets, or adjust the amount of cash and cash equivalents.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company's share capital is not subject to external restrictions. There were no changes in the Company's approach to capital management during the three months ended October 31, 2021.

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCING REPORTING**

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.



## OUTSTANDING SHARES

As of October 31, 2021, the Company had the following securities issued and outstanding:

	<u>Number</u>
Common shares	103,265,569
Stock Options	8,425,000
Warrants	<u>7,960,500</u>
<b>Fully diluted</b>	<b><u>119,651,069</u></b>

## RISKS AND UNCERTAINTIES

The Company operates in the mining industry, which is subject to numerous significant risks that can influence profitability. The Company has disclosed several risks below which it believes to be the most significant and that could have a material impact on its current and future operations. Other risks may exist or may arise at a future date.

### *Access to Capital Markets*

To fund its future growth plans, the Company may become dependent on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Company's projects. To facilitate the availability of capital, the Company maintains an investor relations program in order to inform all shareholders and potential investors of the Company's developments.

### *Future Financing, Credit and Liquidity risk*

The success of exploration programs, development programs and other transactions related to concessions could have a significant impact on the need for capital. If the Company decides to develop one of its properties, it must ensure that it has access to the required capital. The Company could finance its need for capital by using working capital, by arranging partnerships or other arrangements with other companies, through equity financing, by taking on long-term debt or any combination thereof.

### *Competition*

The mining industry is very competitive, and the Company has to compete with other companies related to the acquisition of attractive mineral properties and the retention of skilled labour. Many competitors possess greater financial, technical, and other resources than the Company. As a result, the Company may be faced with a shortage or no supply of ore or employees, as well as not being able to maintain or acquire mineral properties on reasonable terms or at all.

### *Risks Related to Property Title*

The Company does not own all the land that its various Option Agreements cover, and in some cases has to negotiate access from third party property owners as well as municipalities in order to carry out exploration activity on the properties covered by the Red Lake and Galway Properties. Although the Company has taken reasonable measures to ensure that all property titles and mining and exploration rights held by the various optionors are valid, there is no certainty that the property titles will not be challenged or questioned. Third parties could have valid claims to the lands underlying the Properties that are the subject of the option agreements.



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#### *Dependence on Key Personnel*

The Company is dependent on a relatively small number of key employees, of which the loss of any could have an adverse effect on its operations.

#### *Laws and Regulations*

The Company's exploration and development projects are subject to laws and regulations, including those concerning mining as well as environmental and health and safety matters. The laws and regulations in place are susceptible to change and the impact of any modification is difficult to measure. The Company's policy is to maintain safe working conditions in compliance with applicable health and safety rules.

#### *Licenses and Permits*

There can be no guarantees that the Company will be able to obtain or maintain all the necessary licenses and permits to extract and process minerals, explore, develop, or maintain its continued operations, or that the Company will be able to comply with all the conditions imposed.

#### *Political Risk*

The Canadian, Province of Ontario and Irish governments currently support the development of their natural resources by foreign and domestic companies. However, there is no assurance the government will not adopt different policies regarding foreign ownership of mineral resources, taxation, exchange rates, environmental protection, labour relations, repatriation of income or expropriation in the future.

#### *Litigation*

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company has in the past and may in the future be involved in various legal proceedings. While the Company is not aware of any possible legal proceeding that could have a material adverse effect on its financial position, future cash flow or results of operations of the Company, due to the inherent uncertainty of the litigation process and the defence costs which may have to be incurred, even with respect to claims that have not merit, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company.

#### *Risks Linked to Common Shares*

The price of the common shares of the Company may fluctuate for several reasons such as production and/or exploration results or operating results and cash flow, exchange rates, available financing, lack of liquidity and several other factors. It is possible that the price of a common share of the Company may experience significant fluctuations and that such price might be less than the actual price paid by an investor.

#### *Risks Linked to COVID-19*

The Company cautions that current global uncertainty with respect to the spread of the COVID-19 virus (the "coronavirus") and its effect on the broader global economy may have a significant negative effect on the Company. While the precise impact of the COVID-19 virus on the Company remain unknown, rapid spread of the COVID-19 virus may have a material adverse effect on global economic activity and could result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Company.



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### **SUBSEQUENT EVENTS**

Subsequent to October 31, 2021, the following occurred:

- The Company issued 6,000,000 flow-through units (each unit consisting of one flow-through common share and one-half of one common share purchase warrant on a non-flow-through basis. Each who warrant shall entitle the holder to acquire one common share of BTU at a price of \$0.15 for a period of 18 months from closing)) at a price of \$0.09 per unit for aggregate gross proceeds of \$540,000.
- The Company issued 3,050,000 units (each unit consisting of one common share and one-half of one common share purchase warrant. Each who warrant shall entitle the holder to acquire one common share of BTU at a price of \$0.15 for a period of 18 months from closing)) at a price of \$0.09 per unit for aggregate gross proceeds of \$274,500.

### **OTHER REQUIREMENTS**

Additional disclosure of the Company's technical reports, material change reports, news release and other information can be obtained from the Company's website at [www.btumetals.com](http://www.btumetals.com) and on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's profile.